

Assembly Bill No. 1084

CHAPTER 377

An act to amend Sections 985, 987.53, 987.60, 987.603, 987.67, 987.71, 987.75, 987.77, and 987.84 of, to add Sections 987.93 and 988.7 to, and to repeal Article 4 (commencing with Section 270) of Chapter 3 of, and Article 1 (commencing with Section 480) of Chapter 10 of, Part 1 of Division 2 of, the Military and Veterans Code, relating to veterans, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 30, 2011. Filed with
Secretary of State September 30, 2011.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1084, Davis. Veterans' farm and home purchases: shared equity cooperative housing.

Existing law provides for farm and home purchase benefits for qualifying veterans under the Veterans' Farm and Home Purchase Act of 1943, and subsequent acts, which are collectively referred to as the CalVet Home Loan program. Existing law defines "cooperative housing corporation" for purposes of this program to mean a real estate development in which membership in the corporation, by stock, is coupled with the exclusive right to possess a portion of the real property.

The bill would expand the definition of cooperative housing corporation to include a shared equity cooperative.

The California National Guard Members' Farm and Home Purchase Act of 1978, administered by the Department of Veterans Affairs, provides for farm and home purchase benefits for designated members of the California National Guard. The California National Guard Members' Revenue Bond Act of 1978 authorizes, and prescribes a procedure for, the issuance of debentures for home, farm, and mobilehome loans under the California National Guard Members' Farm and Home Purchase Act of 1978. The California National Guard Members' Revenue Bond Act of 1978 creates the California National Guard Members' Farm and Home Building Fund of 1978, and creates special accounts in that fund, including, but not limited to, the National Guard Members' Revenue Bond Revenue Account.

This bill would require all moneys in the California National Guard Members' Farm and Home Building Fund of 1978 and in any account created in that fund that are not needed to meet revenue bond obligations to be deposited into the Veterans' Farm and Home Building Fund of 1943 within 30 days of the effective date of this bill. This bill would also require any revenues that would have otherwise been required to be deposited into the California National Guard Members' Farm and Home Building Fund of 1978, or any other account in that fund, to be deposited into the Veterans'

Farm and Home Building Fund of 1943. This bill would continuously appropriate all moneys deposited into the Veterans' Farm and Home Building Fund of 1943 pursuant to this bill to the department, and would authorize those moneys to be used by the department to make shared equity cooperative housing loans.

This bill would, 30 days after the effective date of this bill, repeal the California National Guard Members' Farm and Home Purchase Act of 1978 and the California National Guard Members' Revenue Bond Act of 1978, except as provided.

The Veterans' Farm and Home Purchase Act of 1974 (act) authorizes the Department of Veterans Affairs to assist veterans in acquiring homes and farms by generally providing that the department may purchase a farm or home which the department then sells to a purchaser, as defined. The act includes in the definition of "home" a condominium, a mobilehome, and a residence with 2 or 4 units occupied by veterans and their families. The act requires, before the purchase of any property by the Department of Veterans Affairs, that an appraisal of the market value of the property be filed with the department by an employee or authorized agent of the department, the Federal Housing Administration, or the Veteran's Administration. The act requires the purchaser to make an initial payment of at least 2% of the selling price of the property and requires a loan to be secured by a deed of trust. The act authorizes the department to pay, satisfy, discharge, settle, and compromise the taxes, assessments, charges, and encumbrances, and to insure buildings, improvements, and crops, and to do work necessary to keep the home or farm in good order and repair if the purchaser fails to do so. The act also authorizes the department to add the costs of the purchaser's failure to act onto the selling price of the property and authorizes the department to seek repayment from the purchaser for these costs. The act authorizes the department to cancel a contract, forfeiting all rights of the purchaser, if the purchaser does not comply with any terms of the purchase contract.

This bill would expand the definition of "home" to include a cooperative dwelling unit, as defined. This bill would define property, except when used in the phrase "real property" or "personal property," as a farm or a home. This bill would also make changes conforming to those definitions.

This bill would authorize the appraisal of the market value of the property to also be filed by an appraiser licensed or certified in this state. This bill would allow the department to require a higher amount than 2% of the selling price of the property as an initial payment, and would authorize the department to allow another form of security, other than a deed of trust, to secure a loan. This bill would authorize the department to add the costs of a stock corporation's failure to pay, satisfy, discharge, settle, and compromise the taxes, assessments, charges, and encumbrances, and to insure buildings, improvements, and crops, and to do work necessary to keep the property in good order and repair to the selling price of the property and would authorize the department to seek repayment from the stock corporation for these costs. This bill would require the department to allow

a stock cooperative to cure any failure by a purchaser to comply with the terms of the purchase contract. This bill would require that a purchaser's right to occupy the property under its contract with the department not be subject to consent or approval by the stock cooperative, and would require that a stock cooperative enter into an agreement directly with the department as a condition of taking title to a cooperative dwelling unit.

This bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Article 4 (commencing with Section 270) of Chapter 3 of Part 1 of Division 2 of the Military and Veterans Code is repealed.

SEC. 2. Article 1 (commencing with Section 480) of Chapter 10 of Part 1 of Division 2 of the Military and Veterans Code is repealed.

SEC. 3. Section 985 of the Military and Veterans Code is amended to read:

985. As used in this article:

(a) "Farm" means a tract of land, which, in the opinion of the department, is capable of producing sufficiently to provide a living for the purchaser and the purchaser's dependents.

(b) "Home" means any of the following:

(1) A parcel of real estate upon which there is a dwelling house or other buildings that will, in the opinion of the department, suit the needs of the purchaser and the purchaser's dependents as a place of abode.

(2) Condominium, as defined in subdivision (h).

(3) Mobilehome, as defined in subdivision (k).

(4) Cooperative housing, as defined in subdivision (m).

(c) "Purchaser" means a veteran or any person who has entered into a contract of purchase of a farm or home from the department.

(d) "Purchase price" means the price which the department pays for any farm or home.

(e) "Selling price" means the price for which the department sells any farm or home.

(f) "Initial payment" means the first payment to be made by a purchaser to the department for a farm or home.

(g) "Progress payment plan" means payment by the department for improvements on real property in installments as work progresses.

(h) "Condominium" means an estate in real property consisting of an undivided interest in common in a portion of a parcel of real property together with a separate interest in space in a residential building on the real property, such as an apartment, which, in the opinion of the department, suits the needs of the purchaser and the purchaser's dependents as a place of abode. A condominium may include, in addition, a separate interest in other portions of the real property.

(i) “Effective rate of interest” means the average interest rate of the interest on the unpaid balance due on a participation contract to which the interest of the department is subject and the interest rate on the unpaid balance of the purchase price, as determined by the department.

(j) “Participation contract” means an obligation secured by a deed of trust or mortgage, or other security interest established pursuant to regulations of the department.

(k) “Mobilehome” means either a parcel of real estate, or an undivided interest in common in a portion of a parcel of real property, on which is situated a mobilehome that will, in the opinion of the department, suit the needs of the purchaser and the purchaser’s dependents as a place of abode and meets all requirements of local governmental jurisdictions.

(l) “Immediate family” means the spouse of a purchaser, the natural or adopted dependent children of the purchaser, and the parents of the purchaser if they are dependent on the purchaser for 50 percent or more of their support.

(m) “Cooperative housing corporation” means both of the following:

(1) A real estate development in which membership in the corporation, by stock ownership, is coupled with the exclusive right to possess a portion of the real property.

(2) A shared equity cooperative.

(n) “Shared equity cooperative” means a housing cooperative that provides ongoing housing affordability and individual asset accumulation and is eligible for financing under regulations of the department.

(o) “Shared equity cooperative housing loan” means a loan to a purchaser for the purchase of property in a shared equity cooperative.

SEC. 4. Section 987.53 of the Military and Veterans Code is amended to read:

987.53. As used in this article:

(a) “Farm” means a tract of land, which, in the opinion of the department, is capable of producing sufficient income to provide payment of the amortized contract installments, including principal, interest, and taxes.

(b) “Home” means a parcel of real estate upon which there is a dwelling house and other buildings that will, in the opinion of the department, suit the needs of the purchaser and the purchaser’s dependents as a place of abode. “Home” includes all of the following:

(1) A condominium as defined in subdivision (h).

(2) A mobilehome as defined in subdivision (k).

(3) A residence with two to four units, inclusive, that satisfies the requirements of Section 143(k)(7) of the Internal Revenue Code and that is only occupied by veterans and their families.

(4) A cooperative dwelling unit as defined in subdivision (s).

(c) “Purchaser” means a veteran or any person who has entered into a contract of purchase of a farm or home from the department.

(d) “Purchase price” means the price which the department pays for any farm or home.

(e) “Selling price” means the price for which the department sells any farm or home.

(f) “Initial payment” means the first payment to be made by a purchaser to the department for a farm or home.

(g) “Progress payment plan” means payment by the department for improvements on real property in installments as work progresses.

(h) “Condominium” means an estate in real property consisting of an undivided interest in common in a portion of a parcel of real property together with a separate interest in space in a residential building on the real property, such as an apartment, which, in the opinion of the department, suits the needs of the purchaser and the purchaser’s dependents as a place of abode. A condominium may include, in addition, a separate interest in other portions of the property.

(i) “Effective rate of interest” means the average rate of interest on the unpaid balance due on a participation contract to which the department’s legal rights are subject, and the rate of interest on the unpaid balance of the purchase price, as determined by the department.

(j) “Participation contract” means an obligation secured by a deed of trust or mortgage, or other security interest established pursuant to regulations of the department.

(k) “Mobilehome” means either a parcel of real estate, or an undivided interest in common in a portion of a parcel of real property, on which is sited one or more mobilehome modules, or a site in a mobilehome park, as defined in Section 18214 of the Health and Safety Code, on which one or more mobilehome modules are sited or are to be sited that will, in the opinion of the department, suit the needs of the purchaser and the purchaser’s dependents as a place of abode and meets all requirements of local governmental jurisdictions. However, where the mobilehome module or modules are sited on trust land, “local governmental jurisdictions” means the tribal governing body.

For purposes of this subdivision, “module” means a section of a mobilehome at least 10 feet wide and at least 40 feet long.

(l) “Indian veteran” means a veteran, as defined in Section 980, who, in addition, either belongs to an Indian tribe, band, group, reservation, rancheria, or community which is recognized by the United States as eligible for services from the United States Bureau of Indian Affairs or is an Indian beneficiary and who is eligible under this article for purchase by the department of a home or farm sited on trust land.

(m) “Trust land,” with respect to an Indian veteran, means land held in trust by the United States government for individual Indians, Indians who belong to Indian tribes, or Indian tribes.

(n) “Allotment trust land” means land held by the United States under the Indian General Allotment Act of 1887, as amended, (Chapter 9 (commencing with Section 331) of Title 25 of the United States Code), in trust for an individual Indian or for two or more Indians holding individual interests in common. It includes both trust and restricted public domain allotments and allotments within the boundaries of an Indian reservation.

(o) “Tribal trust land” means land held in trust by the United States for an Indian tribe or band.

(p) “Tribe” means any Indian tribe, band, group, reservation, rancheria, or community which is recognized by the United States as eligible for services from the United States Bureau of Indian Affairs.

(q) “Immediate family” means the spouse of a purchaser, the natural or adopted dependent children of the purchaser, and the parents of the purchaser if they are dependent on the purchaser for 50 percent or more of their support.

(r) “Indian beneficiary” means an Indian for whom land is held in trust by the United States government.

(s) “Cooperative dwelling unit” means a unit in a development owned by a stock cooperative as defined in subdivision (m) of Section 1351 of the Civil Code, including a limited-equity housing cooperative as defined in Section 817 of the Civil Code, or similar entity, the exclusive occupancy of which is established in accordance with cooperative dwelling unit ownership documents.

(t) “Cooperative dwelling unit ownership documents” means cooperative housing stock together with any occupancy agreements or similar arrangements between the stock company and the owner of the cooperative housing stock. The cooperative dwelling unit ownership documents for a cooperative dwelling unit shall have terms that are acceptable to the department to allow the department to protect its rights under the applicable contract of purchase.

(u) “Cooperative housing stock” means a certificate of stock, a certificate of membership, or other evidence of ownership of an interest, in a stock cooperative as defined in subdivision (m) of Section 1351 of the Civil Code, including a limited-equity housing cooperative as defined in Section 817 of the Civil Code, or similar entity that entitles the purchaser to enter into occupancy agreements or similar arrangements with the stock cooperative, including a limited-equity housing cooperative, or similar entity, to occupy a cooperative dwelling unit.

(v) “Property,” except when used in the phrase “real property” or “personal property,” means a farm or a home.

SEC. 5. Section 987.60 of the Military and Veterans Code is amended to read:

987.60. (a) The department may acquire the farm or home from its owner or may contract with a veteran for the construction of a dwelling and other improvements for a farm or home, upon the terms agreed under all of the following terms and conditions:

(1) The department is satisfied of the desirability of the property submitted.

(2) The veteran has agreed with the department that he or she, or members of his or her immediate family, will actually reside on the property within 60 days from the date of purchase by the department, or, if the residence on the property is not complete on the date of purchase, within 60 days after the residence is completed, and will continue to reside on the property until all payments due the department have been paid or the farm or home is sold, except where the occupancy requirement is waived pursuant to Section 987.62.

(3) If the department is to contract with a veteran for the construction of a dwelling and other buildings, or for the purchase of a mobilehome, all of the following are required:

(A) The veteran shall be the owner of the real property on which the dwelling and other buildings are to be constructed, or shall be the owner of the real property or shall be the owner of an undivided interest in common in a portion of a parcel of real property on which a mobilehome is to be situated, and agrees to convey that property to the department without cost.

(B) The veteran has paid a reasonable fee set by the department to cover the cost of any preliminary service of the department that may be necessary to process the application.

(C) The veteran has filed with the department adequate plans and specifications for the improvements to be constructed upon the real property, together with a contract, executed by a contractor licensed by the State of California for the construction of the improvements in accordance with the plans and specifications within 12 months after the acquisition of the property by the department. The department may require a bond or other security instrument executed by the contractor in an amount determined by the department providing for compliance with the terms of the contract and for the payment of persons furnishing material or labor on the job, executed by a surety company, or other financial institution, authorized to do business in the State of California. The department may also require course-of-construction insurance for public liability, property damage, and workers' compensation.

(D) The plans, specifications, contract, and other required documents or security instruments are approved by the department.

(E) The veteran has placed in escrow all sums of money to be advanced by him or her, where the cost is in excess of the maximum that may be expended by the department.

(b) As used in this section "immediate family" includes only the veteran's spouse, natural or adoptive dependent children, and parents only if the parents are dependent upon the veteran for 50 percent or more of their support.

SEC. 6. Section 987.603 of the Military and Veterans Code is amended to read:

987.603. The department may acquire an assignment of an Indian veteran's beneficial interest in trust land held by the United States for that veteran or a leasehold interest in trust land acquired by the Indian veteran from an Indian beneficiary and contract with an Indian veteran as provided in Sections 987.601 and 987.602 upon the terms agreed if all of the following conditions are met:

(a) The department is satisfied of the desirability of the property submitted.

(b) The Indian veteran has agreed with the department that the veteran, or members of the veteran's immediate family, will actually reside on the property within 60 days from the date of acquisition by the department, or

if the residence on the property is not complete on the date of acquisition, within 60 days after the residence is completed.

(c) The sum to be expended by the department pursuant to a contract for the acquisition of a home or the construction of a dwelling and other improvements does not exceed the maximum loan amount established pursuant to subdivision (a) of Section 987.65. The sum to be expended by the department pursuant to a contract for the acquisition of a mobilehome on trust land or leasehold land does not exceed the maximum loan amount established pursuant to subdivision (b) of Section 987.65. The sum to be expended by the department pursuant to a contract for the acquisition of a farm on trust land or leasehold land does not exceed the maximum loan amount established pursuant to subdivision (e) of Section 987.65.

(d) The Indian veteran has paid a reasonable fee set by the department to cover the cost of preliminary service of the department that may be necessary to process the application.

(e) The Indian veteran has filed with the department adequate plans and specifications for the improvements to be constructed upon the property, together with a contract executed by a contractor licensed by the State of California or by an Indian contractor approved by the department for the construction of the improvements, in accordance with the plans and specifications, within 12 months after the assignment of the Indian veteran's beneficial interest or acquisition of the Indian veteran's leasehold interest in the property by the department. The department may require a bond or other security instrument executed by the contractor in an amount determined by the department providing for compliance with the terms of the contract and for the payment of persons furnishing material or labor on the job, executed by a surety company, or other financial institution, authorized to do business in the State of California. The department may also require course-of-construction insurance for public liability, property damage, and workers' compensation.

(f) The plans, specifications, contract, and other required documents or security instruments are approved by the department.

(g) The Indian veteran has placed in escrow all sums of money to be advanced by the veteran where the cost is in excess of the maximum that may be expended by the department.

SEC. 7. Section 987.67 of the Military and Veterans Code is amended to read:

987.67. (a) Notwithstanding subdivision (c), before the purchase of any property by the department there shall be filed with the department (1) an appraisal of the market value of the property by an employee or an authorized agent of the department, (2) an appraisal of the market value of the property by either the Federal Housing Administration or the Veteran's Administration, and in addition there may be filed with the department an appraisal of the market value of the property by an authorized appraiser of a banking corporation formed under the laws of this state or of a national banking association having a place of business in this state, or (3) an appraisal of the market value of the property by an appraiser licensed

or certified in this state. Each appraisal shall be certified by the maker thereof. The certification shall state that it is made in good faith, and that the valuation is honestly determined and represents the bona fide opinion of the maker.

(b) The department shall establish guidelines to ensure greater participation of state-licensed or state-certified real estate appraisers and shall establish an outreach program to effectively disseminate information concerning the participation to professional appraisal associations or trade groups.

SEC. 8. Section 987.71 of the Military and Veterans Code is amended to read:

987.71. (a) The purchaser shall make an initial payment of at least 2 percent of the selling price of the property or a higher amount that shall be determined by the department, based on the creditworthiness of the purchaser. The department may waive the initial payment in any case where the value of the property as determined by the department from an appraisal equals the amount to be paid by the department plus at least 5 percent. In the case of a purchase requiring a loan guaranty by the United States Department of Veterans Affairs, the department may waive the initial payment and the purchaser shall pay the loan guaranty fee, which may be added to the loan amount. The department may require the purchaser to pay a loan origination fee, not to exceed 1 percent of the loan amount, which may be added to the loan amount.

(b) The balance of the loan amount may be amortized over a period fixed by the department, not exceeding 40 years for farms or homes, not including cooperative housing stock related to mobilehomes, and not exceeding 30 years for mobilehomes, including cooperative housing stock related to mobilehomes, located in mobilehome parks, as defined in Section 18214 of the Health and Safety Code, together with interest thereon at the rate determined by the department pursuant to Section 987.87 for these amortization purposes.

(c) The department may, in order to allow the veteran to purchase the home selected without incurring excessive monthly payments, at the time of initial purchase, postpone the commencement of payment of the principal balance for a period not to exceed five years if the veteran's current income meets the standards for purchase on these terms and if the department determines, in accordance with previously established criteria for these determinations, that the veteran's income can reasonably be expected to increase sufficiently within the five-year period to make the transition to fully amortized principal and interest payments, so long as the total term of the contract of purchase does not exceed 40 years, or 30 years where the contract relates to a mobilehome located in a mobilehome park, as defined in Section 18214 of the Health and Safety Code.

(d) The purchaser on any installment date may pay any or all installments still remaining unpaid.

(e) In any individual case, the department may for good cause postpone, from time to time, upon terms the department determines to be proper, the

payment of the whole or any part of any installment of the purchase price or interest thereon.

(f) Each installment shall include an amount sufficient to pay the principal and interest on the participation contract to which the interest of the department is subject, and any amount as may be required by a covenant or provision contained in any resolution of issuance.

(g) When a purchaser makes an initial payment of less than 20 percent of the selling price of the property, the department shall do all of the following:

(1) Take prudent measures to minimize losses from loan defaults and loan delinquencies.

(2) (A) Ensure the continued financial solvency of the loan program by charging fees to cover the costs, as determined by the department, of any loan guaranty, primary mortgage insurance, or other similar arrangement.

(B) Fees charged under this paragraph may be included in the amount of the loan, collected in advance, or collected as part of the monthly payment.

(h) (1) Subject to paragraph (2), the department may provide initial payment assistance to lower income first-time purchasers by providing a deferred-payment second loan, upon which simple interest shall be charged at a rate established by the department.

(2) A deferred-payment second loan described in paragraph (1) is subject to all of the following conditions:

(A) The loan may not exceed 3 percent of the selling price of the farm or home.

(B) The loan shall be secured by a deed of trust or, if authorized by the department, another form of security.

(C) The loan shall be due and payable upon the payment in full of the contract or upon the sale or transfer of the farm or home.

SEC. 9. Section 987.75 of the Military and Veterans Code is amended to read:

987.75. If the purchaser or, if applicable, the related stock corporation, fails or neglects to pay, satisfy, and discharge at maturity all taxes and assessments, and all other charges and encumbrances which are a lien upon the property being purchased from the department, or any part thereof, and also all taxes and assessments levied or assessed upon the interest created by the contract of purchase of such property; or to keep the buildings, fences, other permanent improvements upon such property insured and in good order and repair, or to keep the crops upon such property insured; or to keep in good order and repair all buildings, fences, and other permanent improvements situated upon such property; then, in such event, the department may pay, satisfy, discharge, settle, or compromise the taxes, assessments, charges, or encumbrances, or insure the buildings, fences, permanent improvements, or crops, or do the work and supply the materials necessary to keep the buildings, fences, and other improvements in good order and repair. All moneys so expended by the department shall be added to the selling price of the property and bear interest at the rate of interest designated in Section 987.71 from the date of expending the same, and shall

be repaid by the purchaser to the department on demand. The department may amortize the repayment of such expenditures or permit repayment in installments upon the terms and conditions which it deems proper.

SEC. 10. Section 987.77 of the Military and Veterans Code is amended to read:

987.77. In the event of a failure of a purchaser to comply with any of the terms of his or her contract of purchase, the department may cancel such contract, and thereupon be released from all obligations, at law or in equity, to convey the property, and the purchaser shall forfeit all right thereto. All payments theretofore made shall be deemed to be rental paid for occupancy. Upon such forfeiture, the department shall take possession of the property covered by such contract, and shall remove all persons and personal property therefrom without any liability whatsoever on the part of the department or of any official or employee thereof for any damage or injury caused by or incident to the entry or removal. The failure of the department to exercise any option to cancel or to exercise any other privilege under such contract for any default shall not constitute a waiver of the right to exercise such option or privilege for any other default on the part of the purchaser. The department shall allow a stock cooperative, as defined in subdivision (m) of Section 1351 of the Civil Code, the opportunity to cure any failure by a purchaser described in this section.

SEC. 11. Section 987.84 of the Military and Veterans Code is amended to read:

987.84. The right to declare a forfeiture for breach of a condition contained in any deed to real property or in any cooperative dwelling unit ownership documents may not be enforced as against the interest of the department in said property or any portion thereof.

SEC. 12. Section 987.93 is added to the Military and Veterans Code, to read:

987.93. Where the property consists of a cooperative dwelling unit:

(a) The purchaser's right to occupy the property under its contract with the department shall not be subject to consent or approval by the stock cooperative, as defined in subdivision (m) of Section 1351 of the Civil Code, nor shall there be any fee or surcharge imposed by the stock cooperative as a result of the right of occupancy, provided that the foregoing shall not affect the rights that the stock cooperative may have under the applicable cooperative dwelling unit ownership documents to approve the initial acquisition of the cooperative dwelling unit by the department on behalf of the purchaser.

(b) As a condition to taking title to a cooperative dwelling unit, the department shall require that the stock cooperative enter into an agreement directly with the department, which agreement shall be in a form established by the department and shall provide for such matters as the department may determine relating to (1) the enforcement by the stock cooperative of its rights in the event that the purchaser defaults under the cooperative dwelling unit ownership documents, (2) the enforcement by the department of its rights in the event the purchaser defaults under its contract with the

department, and (3) such other matters as the department may determine to be necessary to reasonably protect its interest in the property.

SEC. 13. Section 988.7 is added to the Military and Veterans Code, to read:

988.7. (a) (1) Notwithstanding any other law, all moneys in the California National Guard Members' Farm and Home Building Fund of 1978 and any other account created in that fund, including, but not limited to, the National Guard Members' Revenue Bond Revenue Account, that are not needed to meet revenue bond obligations shall be deposited into the Veterans' Farm and Home Building Fund of 1943 within 30 days after the effective date of this section.

(2) Notwithstanding any other law, on and after the effective date of this section, any revenues that would have otherwise been required to be deposited into the National Guard Members' Revenue Bond Revenue Account pursuant to Section 485.1, the California National Guard Members' Farm and Home Building Fund of 1978, or any other account in that fund, shall be deposited into the Veterans' Farm and Home Building Fund of 1943.

(b) Notwithstanding Section 13340 of the Government Code, all moneys deposited into the Veterans' Farm and Home Building Fund of 1943 pursuant to subdivision (a) are hereby continuously appropriated, without regard to fiscal year, to the department, and may be used by the department to make shared equity cooperative housing loans.

SEC. 14. Sections 1 and 2 of this bill shall become operative 30 days after the effective date of this bill. However, any loan to a California National Guard member made pursuant to the California National Guard Members' Farm and Home Purchase Act of 1978 (Article 4 (commencing with Section 270) of Chapter 3 of Part 1 of Division 2 of the Military and Veterans Code) that is still in existence after that date shall continue to be administered by the Department of Veterans Affairs. All rights and obligations acquired under the California National Guard Members' Farm and Home Purchase Act of 1978 by a purchaser and by the department prior to that date shall continue to exist.

SEC. 15. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to allow the CalVet Home Loan Program to offer housing finance opportunities to low-income veterans, young veterans, veterans in need of specific services, and other special needs veterans, and to allow the Department of Veterans Affairs to make cooperative housing loans as soon as possible, it is necessary that this act go into immediate effect.